

Number: AO97-02-CD

Requested By: Joelle Hall, Executive Director

On Behalf of: Alaska Democratic Party

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Subject: Reporting Status of Political Party Subdivisions and Adjuncts

This is in response to your request for an advisory opinion in which you ask if the adjuncts of the Alaska Democratic Party (ADP) are separate "groups" or parts of the broader organization. You recognize that this distinction affects how much they may transfer to the party's central statewide organization. Within the same party, there is no limitation on the amount transferred. If the adjuncts are considered separate groups, there is a limit of \$1000.

In your letter, you mention specific adjuncts, such as the House Democratic Campaign Committee (HDCC), the Young Democrats (YD) and District 19 (DS-19), and thus indirectly raise the question of what criteria must be met in order for an adjunct to be within the parameters of "political party" as defined in AS 15.13.400 (10).

The Short Answer

Under the campaign disclosure law, a "party" is a specific type of "group." The term "group" refers to two or more individuals acting jointly for the primary purpose of influencing the outcome of an election. It also applies to every state and regional committee of a political party. The law defines "political party" as either an organized group of voters representing a political program or a subordinate unit of that group operating in a distinct geographic location.

The Commission considers an "adjunct" of the Alaska Democratic Party to be a part of the party if it is active within a specific geographic area or if it otherwise meets with Commission criteria. To satisfy Commission criteria, an adjunct must show that it is formally affiliated with the party and must provide a written statement by the chair of the party's central committee acknowledging that the entity was formed consistent with the rules and bylaws of the political party and is viewed as a bona fide political party subunit.

An adjunct of the ADP may contribute unlimited amounts to similarly qualified adjuncts within ADP, including ADP's statewide central committee. Status as a qualified adjunct, however, imposes limitations on a group's campaign finance activity. For example, contributions to a qualified adjunct must be counted when a contributor determines if he or she has contributed the maximum yearly allowable amount to the ADP. Also, a candidate who receives contributions from a qualified adjunct must count those contributions when determining if he or she has received the maximum yearly amount allowable from the ADP.

The Statute and Commission Precedent

AS 15.13.065 Contributions to subordinate units

A political party may contribute to a subordinate unit of the political party, and a subordinate unit of the party may contribute to the political party of which it is a subordinate unit.

AS 15.13.070 (c) and (d) Limitations on political contributions

A group that is not a political party may contribute not more than \$1000 per year to a candidate or another group or political party.

A political party may contribute to a candidate an amount not to exceed (1) \$100,000 per year for governor or lieutenant governor (2) \$15,000 per year for state senate (3) \$10,000 per year for state house, and (4) \$5,000 per year for municipal office, judicial retention, or constitutional convention delegate.

AS 15.13.116 (3)(A) Disbursement of campaign funds after an election

After an election, a candidate who holds unused campaign funds may make donations without conditions to a political party.

AS 15.13.400(5)(A) Definition of "group"

A group means every state and regional committee of a political party.

AS 15.13.400(10) Definition of "political party"

Political party means

1. an organized group of voters that represents a political program and that nominated a candidate for governor who received at least three per cent of the total votes cast at any one of the last five preceding general elections for governor; and
2. a subordinate unit of the organized group of voters qualifying as a political party under (A) of this paragraph if, consistent with the rules or bylaws of the political party, the unit conducts or supports campaign operations in a municipality, neighborhood, election district or precinct.

Prior Commission Advice Political party status of the Republican Association of Professional and Business Women, and the Alaska Federation of Republican Women's Clubs

The Commission reaffirmed its policy of granting political party status (and consequently an exemption from the \$1000 contribution limitation in AS 15.13.070) to a group affiliated with a political party if the group provided facts showing its relationship to the party and provided a

statement signed by the chair of the party which confirmed that the party considered the group to be a legitimate political party subdivision.

Analysis

Unlike the old statute, the new law includes a definition of "political party." The definition is consistent with the Commission's former interpretation of the law which automatically extended political party status to a group which was affiliated with the party and active in an election district or precinct. The new statute, however, remains silent regarding the status of political party groups which are not organized geo-politically, such as HDCC and YD, and thus raises the question of how such entities should be viewed.

In the past, the Commission has addressed this issue by recognizing the privileged status of political parties under the Alaska Campaign Disclosure law, and concluding that a political party should be left to determine how to organize its subordinate units.

To this end, the Commission adopted a policy in 1976, which it revisited and reaffirmed in 1990. The policy permits a non-geographic party committee to qualify for political party status if the committee shows that it is formally affiliated with the party and provides a written statement by the chair of the party's central committee acknowledging that the entity was formed consistent with the rules and bylaws of the political party and is viewed as a bona fide political party subunit.

The Commission continues this policy because it is consistent with the intent of the new law regarding contribution limitations, consistent with the privileged status accorded political parties, and administratively practical.

1. The policy is consistent with the limitations set forth in the new law

Under the new statute, contributions to and by a political party, are cumulatively tallied with those to and by all other groups within the party when calculating if a) a contributor has reached his or her maximum allowable contribution to the party and if b) the party has contributed its maximum to a candidate.

Allowing the party to certify non-geographic adjuncts as official political party groups does not expand the party's collective ability to raise or expend funds under the new limits, because the party groups are in a zero-sum relationship. A contribution to or by any party group respectively decreases the amount that may be contributed to or by another group of the same party.

2. The policy is consistent with the privileged status of political parties under the law

Although it is more restrictive concerning contributions to and by political parties, the new statute continues to grant privileges to parties which are not available to other types of groups. Those privileges include the following:

1. An individual may contribute up to \$ 5000 to a political party but only \$ 500 to a non-party group.
2. A candidate may contribute unused campaign funds to a party but not to an individual or any other type of group.
3. A political party can contribute from \$ 5000 to \$ 100,000 to a candidate, depending upon the office sought, while a group may contribute no more than \$ 1000 to a candidate.
4. A political party and its subordinate units may contribute to one another, and are not limited in the amount that may be exchanged, while a group which is not a political party may contribute no more than \$ 1000 to another group.

Under this policy, the Commission continues to recognize this privileged status by allowing the parties to organize themselves consistent with their own rules. As a result, parties are free to make unlimited transfers of funds between subordinate units as needed in a campaign.

3. The policy is administratively practical

The Commission's policy recognizes that political party organizations are elastic and capable of being organized in more than one manner. Even if the Commission interpreted the definition of political party in a narrow manner and refused to recognize the party status of non-geopolitical party adjuncts, parties would be free to absorb an adjunct as a subcommittee of the statewide unit. Nothing under current law or bookkeeping procedures prevents a statewide unit of a political party from agreeing to reorganize in such a manner. Such action would allow the entity to continue to be active, but would likely result in less meaningful disclosure. The absorbed entity's transactions would not necessarily be differentiated when disclosed in the statewide group's report. In addition, reporting by the statewide unit would be complicated by the additional bookkeeping requirements of the subcommittee/adjunct.

Conclusion

For the above reasons, the Commission's advice is as follows

1. an "adjunct" of the Alaska Democratic Party, which is a subdivision of ADP active within a specific geographic area or which otherwise meets with Commission guidelines, be included in the definition of "political party" as set forth in AS 15.13.500(10). Under those guidelines, the adjunct must show that it is formally affiliated with the party and provide a written statement by the chair of the party's central committee acknowledging that the entity was formed consistent with the rules and bylaws of the political party and that it is viewed as a bona fide political party subunit;
2. an "adjunct" which so qualifies may contribute unlimited amounts to similarly qualified adjuncts within ADP, including ADP's statewide central committee; and
3. status as a qualified adjunct imposes limitations on a group's campaign finance activity. Contributions to a qualified adjunct must be counted when a contributor determines if he or she has contributed the maximum yearly allowable amount to the Alaska Democratic Party. In addition, a candidate who receives contributions from a qualified adjunct must count those

contributions when determining if he or she has received the maximum yearly amount allowable from the ADP.

The Commission approved this advisory opinion on February 27, 1997. The advice in this opinion applies only to the specific activity for which the advice was requested.